

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1040
ANSWERED ON:28.07.2003
CORRUPTION IN CO-OPERATIVE SOCIETIES
MANIKRAO HODLYA GAVIT

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government have received any complaints regarding corruption in co-operative societies during the last two years in the country particularly in Maharashtra;
- (b) if so, the details thereof alongwith the names of the societies; and
- (c) the remedial steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)to(c): Government have received complaints in respect of some cooperative societies over the last two years in the country including Maharashtra. The details of the complaints and action taken are as follow:

(i) Bombay Mercantile Cooperative Bank, Mumbai regarding cases of fraudulent practices, irregularities and mismanagement in the functioning of the Bank.

The Board of Management of the Bank was superseded following an inquiry under the Multi-State Cooperative Societies (MSCS) Act. An Administrator has been appointed for, inter alia, taking remedial steps.

(ii) Madhenapura Mercantile Cooperative Bank, Ahmedabad regarding severe liquidity problem and mismanagement in the functioning of the Bank.

The Board of Management of the Bank was superseded following an inquiry under the MSCS Act. An Administrator has been appointed for, inter alia, taking remedial steps.

(iii) Kendriya Bhandar, New Delhi regarding irregularities in inviting tenders, corrupt practices in the purchase and misuse of telephone and staff car by the then Chairman, Kendriya Bhandar.

The inquiry under the provisions of the MSCS Act has revealed no violation of purchase policy and byelaws and no irregularity in the use of staff car.

(iv) Pradeshik Cooperative Dairy Federation (PCDF) Ltd., Uttar Pradesh regarding procurement of milk from private traders instead of cooperative societies, centralization of charge of Managing Director (PCDF) and Milk Commissioner with Secretary, Govt. of UP, leading to heavy losses to the milk federation and unions; unauthorized sale of ghee and milk powder by some employees of PCDF and other mismanagement in the PCDF.

The complaint has been referred to the State Government of Uttar Pradesh for comments.